

# House File 613 - Introduced

HOUSE FILE 613

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 280)

(SUCCESSOR TO HSB 93)

## A BILL FOR

1 An Act relating to the war orphans educational assistance fund  
2 by transferring the moneys in the fund to the veterans trust  
3 fund and transferring duties for providing educational  
4 assistance to orphaned children of veterans to the  
5 commission on veterans affairs.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 35A.13, subsection 4, Code 2013, is  
2 amended to read as follows:

3 4. a. The minimum balance of the trust fund required prior  
4 to expenditure of moneys from the trust fund is five million  
5 dollars. Once the minimum balance is reached, the interest  
6 and earnings on the fund and the first three hundred thousand  
7 dollars transferred each fiscal year pursuant to section 99G.9A  
8 from the lottery fund to the trust fund are appropriated to the  
9 commission to be used to achieve the purposes of subsection 6  
10 of this section. Moneys appropriated to the commission that  
11 remain unobligated or unexpended at the end of each fiscal year  
12 shall revert to the trust fund. It is the intent of the general  
13 assembly that the balance in the trust fund reach fifty million  
14 dollars.

15 b. Notwithstanding paragraph "a", moneys credited to the  
16 war orphans educational assistance account shall be expended  
17 as provided in subsection 6A.

18 Sec. 2. Section 35A.13, Code 2013, is amended by adding the  
19 following new subsection:

20 NEW SUBSECTION. 6A. a. A war orphans educational  
21 assistance account shall be created as a separate account in  
22 the veterans trust fund and moneys in the account shall not  
23 be commingled with any other moneys within the fund. Moneys  
24 credited to the war orphans educational assistance account  
25 shall only be expended for the purposes of assisting in the  
26 education of orphaned children of veterans as provided in this  
27 subsection. Interest or earnings on moneys deposited in the  
28 account shall be credited to the account.

29 b. (1) The commission may provide educational assistance  
30 funds to any child who has lived in the state of Iowa  
31 for two years preceding application for state educational  
32 assistance, and who is the child of a person who died prior  
33 to September 11, 2001, during active federal military service  
34 while serving in the armed forces or during active federal  
35 military service in the Iowa national guard or other military

1 component of the United States, to defray the expenses of  
2 tuition, matriculation, laboratory and similar fees, books and  
3 supplies, board, lodging, and any other reasonably necessary  
4 expense for the child or children incident to attendance in  
5 this state at an educational or training institution of college  
6 grade, or in a business or vocational training school with  
7 standards approved by the department. The commission shall not  
8 expend more than six hundred dollars per year for educational  
9 assistance for any one child under this paragraph.

10 (2) A child eligible to receive funds under this subsection  
11 shall not receive more than three thousand dollars under this  
12 paragraph "b" during the child's lifetime.

13 c. (1) Upon application by a child who is less than  
14 thirty-one years of age, and who is the child of a person who  
15 died on or after September 11, 2001, during active federal  
16 military service while serving in the armed forces or during  
17 active federal military service in the Iowa national guard  
18 or other military component of the United States, and who  
19 at the time of entering into active military service had  
20 maintained the person's residence in the state for a period  
21 of at least six months immediately before entering into  
22 active military service, the commission shall provide state  
23 educational assistance in an amount of no more than the highest  
24 resident undergraduate tuition rate established per year for  
25 an institution of higher learning under the control of the  
26 state board of regents less the amount of any state and federal  
27 education benefits, grants, or scholarships received by the  
28 child, or the amount of the child's established financial need,  
29 whichever is less, to defray the expenses of tuition at any  
30 postsecondary educational institution in this state.

31 (2) A child eligible to receive state educational  
32 assistance under this paragraph "c" shall begin postsecondary  
33 education prior to reaching age twenty-six, shall not receive  
34 more than an amount equal to five times the highest resident  
35 undergraduate tuition rate established per year for an

1 institution of higher learning under the control of the state  
2 board of regents during the child's lifetime, and shall, to  
3 remain eligible for assistance, meet the academic progress  
4 standards of the postsecondary educational institution.  
5 Payments for state educational assistance for a child under  
6 this paragraph "c" shall be made to the applicable postsecondary  
7 educational institution. The college student aid commission  
8 may, if requested, assist the commission in administering this  
9 paragraph "c".

10     *d.* Eligibility for assistance pursuant to this subsection  
11 shall be determined upon application to the commission, whose  
12 decision is final. The eligibility of applicants shall be  
13 certified by the commission to the director of the department  
14 of administrative services in a timely manner, and all amounts  
15 that are or become due an individual or a training institution  
16 under this subsection shall be paid to the individual or  
17 institution by the director of the department of administrative  
18 services upon receipt by the director of certification  
19 by the president or governing board of the educational or  
20 training institution as to accuracy of charges made, and  
21 as to the attendance of the individual at the educational  
22 or training institution. The commission may pay over the  
23 annual sum set forth in this subsection to the educational or  
24 training institution in a lump sum, or in installments as the  
25 circumstances warrant, upon receiving from the institution such  
26 written undertaking as the department may require to assure the  
27 use of funds for the child for the authorized purposes and for  
28 no other purpose. A person is not eligible for the benefits  
29 of this subsection until the person has graduated from a high  
30 school or educational institution offering a course of training  
31 equivalent to high school training.

32     *e.* Any expense incurred in carrying out the provisions of  
33 this subsection shall be chargeable to the trust fund.

34     Sec. 3. Section 35A.13, Code 2013, is amended by adding the  
35 following new subsection:

1     NEW SUBSECTION. 10. It is the intent of the general  
2 assembly that beginning with the fiscal year beginning July 1,  
3 2013, appropriations be made as necessary to the war orphans  
4 educational assistance account of the veterans trust fund to  
5 pay all claims made pursuant to subsection 6A. Prior to any  
6 additional appropriations to this account, the department shall  
7 provide the general assembly with information identifying  
8 immediate and long-term war orphans educational needs  
9 throughout the state and a plan for meeting those needs.

10      Sec. 4. REPEAL. Sections 35A.19, 35A.20, 35A.21, and  
11 35A.22, Code 2013, are repealed.

12       Sec. 5.   TRANSFER OF FUNDS.   All unencumbered and unobligated  
13 moneys remaining in the war orphans educational assistance  
14 fund on July 1, 2013, shall be transferred to the war orphans  
15 educational assistance account of the veterans trust fund  
16 created in section 35A.13.

17        Sec. 6.   ADMINISTRATIVE RULES — TRANSITION PROVISIONS.

18 1. Any rule, regulation, form, order, or directive  
19 promulgated by the department of veterans affairs as required  
20 to administer and enforce the provisions for the operation  
21 of the war orphans educational assistance fund, created in  
22 section 35A.19, shall continue in full force and effect until  
23 amended, repealed, or supplemented by affirmative action of the  
24 commission of veterans affairs.

25       2. Any award issued by the department of veterans affairs,  
26 under section 35A.21, and in effect on the effective date  
27 of this Act, shall continue in full force and effect until  
28 expiration or renewal.

29	EXPLANATION
----	-------------

30 This bill eliminates the war orphans educational assistance  
31 fund under the control of the department of veterans affairs.  
32 The bill transfers all unencumbered and unobligated moneys  
33 in the war orphans educational assistance fund to a separate  
34 account of the veterans trust fund under the control of the  
35 commission of veterans affairs. Interest or earnings on moneys

1 deposited in the war orphans educational assistance account  
2 shall be credited to the account. The bill also transfers  
3 to the commission of veterans affairs current Code duties  
4 regarding educational assistance to orphaned children of  
5 veterans. The bill further provides that it is the intent of  
6 the general assembly that appropriations be made as necessary  
7 to the war orphans educational assistance account to pay all  
8 claims beginning with FY 2013-2014.